

Stamp collecting- my first bad investment

My twin brother and I were introduced to stamp collecting in ~1952 by an uncle who lived down the street from us in Cleveland. This uncle, a serious collector for years, suggested we start collecting US mint plate blocks and he sold us each 50 or so recently issued plate blocks at face value. We were hooked by the often beautiful stamps and the fact that we could ask for plate blocks at the post office and usually receive them at face value. It didn't take long before we decided to purchase older plate blocks from stamp dealers using much of our meager weekly allowance. These stamp dealer purchases continued after we moved to California in 1954. We also started coin collections but our approach here was for the two of us and two coin-collecting friends to go to banks and buy rolls of pennies, nickels, dimes and quarters to look through for decent coins. We would then go back to the bank with the rolls of coins and cash them in for paper money, followed by going to another bank and purchasing more rolls to look through. In the 50s, such an approach would yield many worthwhile coins and often some really valuable ones. From 1954 through ~1960, the 4 of us probably went through 100s of rolls of pennies, nickels and dimes. My brother specialized in pennies, dimes and quarters whereas I specialized in Buffalo nickels and dimes so the 4 of us negotiated exchanges based on each of our preferences. I obtained more than 100 buffalo nickels for my collection including one of the rarest (it cost me a couple dollars from one of the other 2 collectors), a 1937-D 3-legged buffalo nickel in extra fine condition. I found a 1909-SVDB Lincoln penny (one of the rarest Lincoln pennies) in one bank roll and sold it to my brother for \$1.

This approach that we used successfully to add to our coin collections was inexpensive but a similar approach was unusable for stamp collecting so we were forced to go to stamp dealers and pay retail for older plate blocks. We did start saving part of our increased weekly allowance for other ventures such as for movies. In this instance, however, we came up with a clever way of saving money. I would for instance buy a ticket to a 12 noon movie, watch the movie and then come out the front entrance telling the ticket taker that I had to make a phone call and would be back in a few minutes. I would hand the ticket to Keith who would then go back in and see the next showing for free.

We stopped stamp collecting around 1960 but our dear mother continued to go to the post office every time a new stamp was available and get a plate block for both of us to add to our collections. Over the 8 year period of serious collecting, I probably spent around \$2000 of gift and allowance money on my US plate block collection. When my brother and went off to college in 1960, my mom took our stamp/coin collections and put each of them in a safety deposit box at a bank, and like most mothers do, she started paying the yearly fee. Finally, when I moved to Albuquerque in 1974, mom requested that I take my collections off her hands (after she payed around \$700 in safety deposit fees over the 14 year period). So I started paying ~\$50/year for a large enough (coins took up much more space than stamps) safety deposit box at the Sandia Labs Federal CU.

About 30 years ago, I determined that much of the stamp collection was not even worth face value to dealers (they would offer 70-80% of face). This was because so many people started collecting stamps based on the observation that FDR was a dedicated stamp collector so there were tons of copies of non-valuable mint stamps available and little demand. So I started using the worthless stamps on our postage. If I needed 22 cents postage, I might put six 3 cents stamps and one 4 cent stamp on the letter. In such an instance, I would always try to use six different 3 cent stamps to make the envelope more interesting and I quite often received compliments from recipients. Several times I would need to mail an envelope at the post office that the postal worker weighed and told me it might require say \$1.53, whereby I would take out this amount from my envelopes containing 1, 2, 3, 4, 5, 6, 8, etc. cent stamps. My personal record was something like 20 stamps and I became somewhat of a legend at the post office. I did this for several years and got rid of many of the totally worthless stamps, but I kept the older and potentially more valuable ones. Several years ago I determined that no one in either of my daughters families wanted to inherit the stamps and coins so I decided to get rid of both collections. By checking current wholesale and retail prices in catalogues, I quickly determined that the wholesale price I would get for most of my stamp collection was similar to the retail price I had paid in the 1950s. There were some exceptions. For instance my \$1 presidential plate block from the 1938 presidential series had a decent appreciation but the \$2 and \$5 blocks had done much better. However, those blocks were a bit rich for my budget back in the 50s. After going to several local stamp shows and several dealers, I eventually got rid of ~99% of my stamp collection for a total of around \$2500. Given my original cost in the 50s of ~\$2000, there wasn't a lot of appreciation over a 60 year time period. My coin collection did a bit better since coins in general had shown more appreciation, especially for the more rare ones. For instance, I sold my 1937-D 3-legged buffalo at a coin show to a dealer for \$700 (the wholesale value which is ~ half of the retail value) and many of my other better coins had appreciated by quite a bit considering my almost face value costs.

My brother still has both his stamp collection (smaller than mine was) and his coin collection (more extensive than mine was) and hasn't made a decision on what to do with them. I hope he doesn't leave them to me if he dies before I do!